



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Beverly Eaves Perdue, Governor
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Steve Jordan, Director

October 4, 2011

Memorandum

To: Psychiatric Residential Treatment Facility Providers

**From: Sandee Resnick, Acting Accountability Team Leader
Resource & Regulatory Management Section**

**Subject: 2011 Medicaid Audit of Psychiatric Residential Treatment Facility Providers
(PRTF)**

Between October 25 and November 18, 2011 the NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) will conduct Medicaid audits of Psychiatric Residential Treatment Facilities (PRTF) directly enrolled with North Carolina Medicaid. The list of PRTFs to be audited, including the specific date of each scheduled audit, is posted on the DMH/DD/SAS website. The Medicaid audit will take place at your PRTF address listed on the posted schedule. All reviews will begin at 9 AM on the scheduled date.

Please keep this letter throughout the audit process for reference purposes.

**Note: All documents required for preparation for this audit event
will be posted on the DMH/DD/SAS website by October 12, 2011:**

<http://www.ncdhhs.gov/mhddsas/providers/Audits/prtf2011/index.htm>

Audit Process and Components:

A listing of and schedule for the directly enrolled PRTF providers to be audited is posted on the DMH/DD/SAS website found at <http://www.ncdhhs.gov/mhddsas/audits/index.htm>.

For specific information on audit tools to be used during this audit and scheduling information, please find the following documents on our website. These documents will be posted by October 12, 2011.

- √ **DHHS Medicaid PRTF Audit Tool 2011**
- √ **Staff Qualifications Checklist**
- √ **DHHS PRTF Staff Ratio Tool 2011**
- √ **2011 PRTF Audit List by Parent Company/Provider**

- **The following information will be sent via UPS at least one (1) week prior to each audit date:**
 - √ List of service records to be audited (this list will *not* be posted on the web). The list will include names and birth dates. If a child's name is listed more than once, it means that more than one date of service was randomly chosen for audit from that child's service record.
 - √ Dates of documentation needed for the Staff Ratio review (these dates will *not* be posted on the web).
- All events for the PRTF audits will be drawn from **paid claims dates of June 1, 2011 through September 30, 2011. These paid claims dates may include services provided on any date between June 1, 2011 and September 30, 2011.**
- The individual PRTF sample of service events for each audit will consist of fifteen (15) primary and five (5) backup randomly selected service records / service dates per provider. A total of twenty (20) service dates will be included in each sample.
- If a service event which is included in the audit sample was repaid to Medicaid **prior to the provider's receipt of the list of records to be audited**, that event will be omitted and the next numbered event from the backup list will be substituted. Evidence of repayment must be provided for any exclusion of a service event.
- It is required that each Medicaid provider have staff persons who are familiar with agency records available during the audit.
- Once the audit is complete and auditors have left the site, no additional documentation will be accepted.
- Service documentation needed for audit **must be indicative of what was current and in place for all possible dates of service from June 1, 2011 through September 30, 2011, inclusive**. Please provide complete service records for review so all documentation needed can be easily accessed.

Division of Medical Assistance (DMA) Information

- **Once the Medicaid audit is complete, no additional documentation will be accepted for review.**
- This is a targeted audit on a limited sample of issues identified on the Medicaid audit tools. This audit does not represent all the items or issues that may be reviewed by DMA or other entities such as the NC Attorney General's office as allowed by applicable policies, State and Federal Regulations.
- DMA Program Integrity has the authority and responsibility to expand the scope of this audit as necessary to encompass all applicable recoupment or other sanctions.

Audit Completion:

- At the completion of the audit, the audit team will provide a brief exit interview outlining the general findings of the monitoring event.
- Copies of the completed audit tools and a report of the findings will be provided as soon as possible following the completion of the entire PRTF audit cycle.
- Please note that there may be revisions to the on-site findings when the audit tools are reviewed later by an audit team leader.
- **Requests for reconsideration of Medicaid audit findings are directed to the Division of Medical Assistance (DMA).** Information on the DMA process and timelines for submitting such requests will be included in the DMA letters received in conjunction with the formal Summary of Findings report.
- **Out of compliance findings that represent a systemic issue may require that a Plan of Correction (POC) be submitted to DMH/DD/SAS.** Information on the DMH/DD/SAS process and timelines for submitting POCs will be included in each agency's formal Summary of Findings report.

Contacting Us

If you have questions concerning the information in this memorandum, or anything else related to this Medicaid audit, please contact:

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We look forward to a successful audit.

SR/sr

cc: DMH/DD/SAS Executive Leadership Team
 Tara Larson, DMA, Chief Clinical Operations Officer
 Craigon Gray, MD, MBA, JD, DMA Director
 Patrick Piggott, DMA, Chief Behavioral Health, Program Integrity